

THE HUDSON'S BAY COMPANY'S MEETING.

REPORT of the proceedings of the Shareholders' Meeting of
the Hudson's Bay Company, held on Tuesday, the 9th
July, 1889.

THE annual General Court of the Governor and Company of Adventurers of England trading into Hudson's Bay was held on Tuesday, July 9th, at the City Terminus Hotel, Cannon Street, Sir Donald Smith, Governor, in the chair. There was a large attendance of shareholders.

MR. EMMANUEL: Mr. Chairman, before this meeting proceeds, may I ask you to allow a verbatim report of the proceedings to be taken by a shorthand-writer, to be published among the two thousand shareholders not present to-day? (Hear, hear.) The shareholders, I can assure you, are most anxious to know what takes place at these meetings, and to obtain more information on the subject than can be gained from the reports of the proceedings which appear in the daily and weekly journals. If you can see your way to distributing a verbatim report amongst the shareholders, I am sure they will deem it a great favour. The garbled reports which have been sent round in the past are, from the independent shareholder's point of view, worse than useless. (Hear, hear.)

THE CHAIRMAN: It has been our practice to have shorthand reports taken of the proceedings, and sent to the shareholders. If it is the general wish, we have no objection whatever to having a verbatim report printed and distributed. (Hear, hear.)

THE SECRETARY (Mr. W. Armit), having read the notice convening the meeting,

THE CHAIRMAN said: Gentlemen, the report now to be presented to the meeting has been in your hands for several days. It is, as you see, fuller than usual, and if it is your pleasure to take it as read—(hear, hear)—I shall proceed to make a few remarks before putting it to you for adoption. I shall endeavour to be brief in my observations, seeing that our programme is much longer than is customary at our meetings; and most of you being busy men, whose time is valuable, I shall defer going more fully into some matters until the propositions, or amendments, rather, to be moved, are actually before you. The statement of accounts embodied in the report is in the same form as heretofore, and this of necessity to meet the requirements of the deed-poll, or agreement, of 1871 between yourselves and your Commissioned Officers of the Fur Trade, otherwise known as Wintering Partners; but further details are given, in accordance with the wish to that effect you gave expression to at your last meeting. I shall, however, be glad, either personally or through our auditor, Mr. Welton, who is thoroughly conversant with them, give any further explanation you

may desire. Let me say, at the same time, that forms approved by Mr. Welton have been sent out to Canada, for the purpose of having the accounts there simplified as much as possible—(hear, hear)—and with a view to giving them in fuller form wherever this can be done without detriment to the interests of the Company. (Hear, hear.) You will recollect that the absence of a dividend last year was owing mainly to the great decline—averaging, on the whole, some 25 per cent.—in the prices obtained at the sales of Furs for the Outfit then dealt with. I am glad to say that in this respect we have been much more fortunate this year, Beaver having advanced from 23s. 3d. to 27s. 1d. per skin, Marten from 7s. 1d. to 11s. 4d., Lynx 9s. 4d. to 19s. 4d.; and the other principal Furs from which your revenue is derived to a somewhat similar extent, showing an improvement of some 36 per cent., so that, with a smaller volume of returns, the yield in money is very much better. At the recent sales held by Messrs. Lampson, there has been a decline to some extent in the prices obtained, compared with those of March last. But as your sales will not come on before January and March next, it is of course impossible to predict what the results may be then. You are aware that, in striking the balance on the Trading Account, your Commissioned Officers are entitled to four-tenths of the net profits, after deducting 5 per cent. interest for the use of your money. The Officers' share in the Outfit we are now dealing with amounts to £17,370 14s. 7d., and in addition to this they are entitled, under a guarantee you gave them in 1887, to £2,429 5s. 5d.; or, in all, £19,800. To some who are not familiar with the circumstances of the case, this may appear to be excessive remuneration; but when I tell you that it has to be divided between sixty-three Commissioned Officers, whose emoluments range from £200 up to £500, you will see how moderate is the allowance to each. And let me say in respect of these Officers, any Corporation might be proud of having such a set of gentlemen associated with them in the conduct of their affairs, for assuredly no Company has ever been more zealously, more intelligently, or more loyally served than the Hudson's Bay Company has been, during the two hundred and twenty years since the granting of its charter. And, in this connection, it is well you should know that, in all that long period, not one defalcation, in so far as I am aware, even of the very smallest amount, has been found in the transactions between your Officers and yourselves. Going into your service as young men of from seventeen to twenty years of age, they begin at a salary of some £20 per annum as clerks, undergoing a long apprenticeship to the business, which, I may remind you, requires special knowledge for its successful and efficient working, and so fit themselves for the higher positions. You are all aware that you have now no monopoly of the Fur Trade, such as you formerly enjoyed. That was done away with when you transferred your rights of Government to Canada in 1869, whereby the trade of the whole country was thrown open to public competition, and competition, I may say, of the most active character. So that it is upon the knowledge of these gentlemen, who have been trained up in your service, and upon their zeal, and energy, and efficiency, and the confidence inspired by the management and fair dealing of the Company, you must rely chiefly for successfully meeting this opposition to which I am alluding.

Besides the attention given to the business by your Trade Commissioner, there is a thorough supervision by Inspectors, who are constantly travelling over the entire system of districts and outposts, whose reports come before your board and form the basis of their decisions. While the Officers referred to are admirably fitted for conducting the Fur Trade, they have not,

and could not under the circumstances have acquired that knowledge of ordinary mercantile affairs which would fit them for profitably carrying on the business of such establishments as those we possess at Winnipeg, Victoria, and a few other places. So that for this work you have to employ a different class of men; and I may say that it has been no light task for your board to put their hands upon those in every way suited for this work. This branch of business is, nevertheless, I am glad to say, doing better than heretofore, and we are very hopeful that it will yield a fair profit on the money invested in it. (Hear, hear.) The marine insurance fund, for the twelve months ending May 31st last, shows a profit of £3,572 19s. 1d., bringing up this fund to £50,000. With this fund the Company take one-third only of the risks, and no more than £6,000 in any one bottom.

We have, then, a net profit for the present year of £68,022 4s. 4d., as compared with £10,923 7s. 8d. at the same date last year; and with the amount carried over we have an undivided balance of £111,844 10s. 7d., which, deducting the 14s. per share, equal to £70,000, recommended by your directors, would leave on hand £41,844 10s. 7d. Your directors have given their most careful consideration to the important subject of Ways and Means for the efficient prosecution of the business during the current year, and have had no hesitation in coming to the conclusion that to give a larger dividend at the present time would be against your best interests, as, from the closest estimate which can be made, the Company would be without the funds required for carrying on the business of the Company. As individually by far the largest shareholder, I should be glad were the amount now to be divided greater, but, consistently with our duty to you and to ourselves, we cannot recommend more than 14s. per share, and consequently do not recommend it. We do not feel that we can take the responsibility of carrying on the business of the Company as it should be carried on without the means we shall have with this rest. We do not think that it would be consistent with your own interests to give you a 15s. or 20s. dividend. We have come to the decided conclusion that 14s. is the largest possible sum that can safely be recommended on this occasion. And this you will admit when you consider that our position to-day is very different from what it was in times past. Years ago the Company could estimate at the beginning of the year almost exactly how much would be required during the twelve months. And this applies to several years after the monopoly was nominally got rid of, when the Company continued to enjoy a virtual monopoly. But with the opening up of the country by railways all that has been changed.

We have looked most closely into the question of expenses, both here and in North America; and this we have been doing for some years back. But owing to the nature of your business, spread as it is over such a vast extent of territory, not accessible by the ordinary means of travel, this, as you can well understand, requires both time and great care in its accomplishment. In England, beginning with the directors' fees, we have decided for the present year to forego £1,100 out of the £3,500 allowed by you; and in Canada I have been able, on behalf of my colleagues, to make arrangements by which the expenses of the land department will be reduced by at least £2,000 per annum, while materially increasing the efficiency in working. (Hear, hear.)

And now with regard to the land department. You will observe that the balance on the 31st of March last is £24,658 4s. 3d. to the good. Amongst non-controllable expenses for the last year were—surveys and

taxes £13,781 11s. 7d., and controllable expenses £7,110 2s., on which latter I have just mentioned there will be a saving this next year of at least £2,000. It will, I know, be gratifying to you to learn that the prospects of sales of land are brightening very much. The harvest in the North-West of Canada two years ago was very good, and last year, although the crops suffered considerably from early autumn frost, the result was above the average; while at present, appearances are in favour of an abundant harvest. All this, as might naturally be expected, has had the effect of sending a great accession of settlers into the country. And this, in turn, creates a larger demand for land; so that your Land Agent reports for April, May, and June together (since the Accounts now laid before you were closed), sales to the extent of 25,014 acres, for £36,000; as against 5,441 acres and £5,757 for the same months last year. (Hear, hear.)

This is not (as it was in 1880-81-82) lands bought merely for speculative purposes, nominally at large prices, but in the majority of instances returned again on your hands. (Hear, hear.) An unreal, artificial value was temporarily put upon them on that occasion, and just as in every other case where there is nothing substantial and material to represent a large price paid, they soon fell back to a position worse than that they occupied before. But at present all the buying is genuine—land is being purchased not simply as a speculation, but for the purpose of settlement and development. You will note, however, that the payments for farm lands extend over eight years, and for town lots over five years, so that only a portion of the price of the land will be available at present. Yet your directors feel well assured that the result will be such as to justify a return of 10s. of capital this next year. (Hear, hear.) And, while saying this, I may add that the board have been giving their best attention to this subject, and came to the decision some time back, in so far as rested with them, that on every occasion when there was a clear surplus on the land account sufficient to give 10s. per share, it ought to be given. (Hear, hear.)

As you are aware, Mr. Robert A. McLean notifies us that three resolutions or amendments, given in a circular dated 1st inst., which he has issued to the shareholders, will be moved at this meeting. The first of these—namely, "That a dividend of 20s. per share be now declared, instead of 14s. as proposed"—is in order, and may be put forward for discussion.

The second—"That returns of 10s. per share be made from the land sales as frequently as the land revenues will permit"—I am advised is out of order, and cannot be put as an amendment or resolution. But from what I have just said, you will see that the board are entirely in accord with it. (Hear, hear.)

The third—"That a committee of shareholders be appointed to investigate the present expenditure and revenue of both the land and trading departments, to report what economies can be effected consistently with greater efficiency, how the revenues may be increased, and generally what improvements can be effected in the Company and its administration"—I must rule out of order, being advised by Counsel that it is not competent, in terms of the Charters and Bye-laws of the Company, to deal with it on this occasion. I have been led to go more fully than I had at first intended into the items given in the report before you, but I shall nevertheless be glad to afford such further information, to the best of my ability, as may be desired by any of you. I beg to move the adoption of the report and accounts. (Cheers.)

VISCOUNT ANSON (Deputy-Governor) seconded the motion.

MR. J. EDWARDS: Sir, before going any further, I think we ought to know the names of the members of the committee of the Hudson's Bay

Shareholders' Association who have taken upon themselves to call for a committee of investigation, which, if agreed to, would of course amount to a vote of no confidence in the board. We all see that Mr. McLean has signed himself as president of the Association. I say we ought to know also the names of the other members. (Hear, hear.)

MR. R. A. McLEAN: Mr. Chairman, ladies and gentlemen, the question before the meeting is, not the names of the Committee of Shareholders, though I shall be quite happy to satisfy the curiosity of any gentleman upon that subject, but the adoption of the report, which has been moved by the Governor, and seconded by the Deputy-Governor. Now, I do not know whether the Governor intends the motion to cover the dividend of 14s. If so, I think this will be the proper time for me to move my amendment.

The CHAIRMAN: Certainly.

MR. McLEAN: So now is the time also for me to say what I have to say in support of the amendment, the effect of which, as you know, is that the dividend should be at the rate of 20s. instead of 14s. We are all busy men, and I had intended not to say a word upon the report and accounts, except in regard to the specific motions of which I have given notice; but as the chairman has ruled that I should be out of order in moving the resolutions of which I had given notice—namely, that in regard to a return of 10s. from the land revenues, and that respecting the appointment of a committee of shareholders to investigate our own affairs, I do not see that I have any course before me at the present moment but to accept that ruling, which I do with great respect. At the same time, in my humble opinion, and in that of many others in this room, it should be competent for me to move those resolutions. (Hear, hear.) Indeed, I do not see how we can ever hope to have an unfettered discussion of our own affairs unless we are allowed to discuss such motions as these, brought forward in the fairest and openest manner, and of which notice has been given to the board. (Hear, hear.) I beg to move, however, as an amendment to the chairman's motion, that the dividend be at the rate of 20s. per share instead of 14s., as recommended in the report, and when I have dealt with this question I shall make some observations upon the report which otherwise I should have made in supporting the motions of which I have given notice, but which you rule inadmissible. It is hardly needful for me to say that I am quite in order in discussing the report. (Hear, hear.) In regard to my amendment respecting the dividend, then, the first point to be borne in mind is that we have £111,800 of undivided profits; that fact is not called in question. The second point is that these profits entirely belong to the shareholders; that need neither be discussed. The third point is that all these profits, and a great deal more, are not paper profits, but realised profits—cash in London. If you will look at the balance-sheet, you will find that we have on the credit side, cash in hand and on deposit in London amounting to £196,786, and this altogether independent of the cash in Canada needed for the current expenses of the business there. We have, therefore, cash in hand to the above extent. Now, a dividend of 20s. a share is £100,000. If you take £100,000 from the total cash we have, £96,000 will be left in London. Therefore, the dividend of £100,000 would not in the least degree sweep away our cash balance, but, on the contrary, would leave an immense sum still in hand. Now, the question is, should we keep enough money in hand, after paying a 20s. dividend, for all the purposes of our business? My principle is, and always has been, "safety first and profit afterwards;" but in this case I say, instead of

endangering by a 20s. dividend, you would strengthen the Company. There is, in my opinion, far more harm likely to result from leaving this immense sum in the hands of the board. We are asked to leave from £41,000 to £42,000 of our profits undivided. My first remark on that is that it is almost unexampled in the history of this Company that we should divide a sum by way of dividend and leave such an immense balance in hand. The policy of the Company may be divided into two epochs. The first ended about fourteen years ago, under the governorship of Mr. Goschen, now Chancellor of the Exchequer. The practice then was, when we had £111,000 or £112,000 of undivided profits, to divide during that year—a portion in June, and the rest in January—up to within £2,000 of the whole sum. The accounts prove that, if any one doubts it. In 1874, for instance, there were £112,000 of undivided profits. Mr. Goschen divided £70,000 in the first six months, and the balance in the next half-year, leaving £2,000 in hand. In the year 1875 the same was done. But I do not recommend anything so radical as this. I am prepared to leave not £2,000, but £22,000 of cash in hand. (Cheers.) And then, I say, there would be an abundance left for the purpose of carrying on the business of the Company. Now, as every one knows, a reserve fund is established in order to meet extraordinary losses. The charge for ordinary losses appears in the accounts of the year. For extraordinary losses it is right and prudent that we should have an ample reserve; but I contend that we have one. What is our marine insurance fund but a large general reserve fund? During the last fifteen years the only exceptional loss which has occurred was suffered about the year 1874, when we lost about £19,000. What did the Company do? It took £17,000 from the marine insurance fund, and thus squared the accounts; and in subsequent years it replenished the marine insurance fund out of the general profits of the business. Therefore, I say, the experience of the Company, in regard to extraordinary losses, has been that the so-called marine insurance fund is in reality a general reserve fund, and has proved ample for all purposes. The chairman also tells us, in regard to the marine insurance fund, that the Company takes on itself no more than one-third risk, and limits the loss to £6,000. Therefore, why do we need £50,000 to meet a possible loss of £6,000? (Cheers.) But I don't limit it to £6,000; I say leave £22,000, and thereby have £70,000 for carrying on the business, over and above the £24,000 of the Land Funds, which would remain intact. Well, such was the practice fifteen years ago, but a change came over the spirit of the dream, and during the last ten years a new policy has been introduced. First, the directors began by reserving £22,000, then £23,000, then £27,000, then £29,000, and then £32,000, which last sum brings us up to two years ago. There has been a gradual retention of our money to an ever-increasing amount; and yet experience has shown that had we divided our profits no harm whatever would have accrued to the Company. And we are now asked to commence yet a third epoch, and that is one reason why I have brought forward this motion. Last year we carried forward £43,000, because no dividend was declared; £32,000 was taken from 1887, £10,000 was added from 1888, and this year you are asked to carry forward over £40,000. I ask you, gentlemen, to make a stand, and not to permit this third epoch to be entered upon. (Cheers.) As I have shown, by reference to the policy pursued by Mr. Goschen, this excessive caution is both mischievous and unnecessary. But, gentlemen, a lame man always wants a crutch, and so does a lame board; and the £41,000 you are asked to carry forward is simply a crutch upon which those who administer our

affairs feel they can support themselves. It is doubtless very convenient for them to have a large balance carried over, and if there were good and sound reasons for it, I should be the last man in the Company to go against it; but it inevitably tends to induce apathy and comparative indifference to the immediate earnings of the Company among the directors. But take away this crutch, and the directors will be compelled to walk upon their legs, and they will find that far more money can, if proper steps are taken, be got out of Canada; and they will cease to allow immense sums of our capital to remain practically idle, as they do at present. If any one doubts that this is so, I can bring evidence from the accounts themselves. Turn to the trading account. You will there find the balance due to customers is now £83,000. We have, that is to say, no less than £83,000 lying out amongst our customers. Look at the other side and you will find that, at the beginning of the year, there was £99,000 out. (Cheers.) What does that teach us? It teaches us that they have been more active in getting the money out of the pockets of those who owe it us, and I think we need have no doubt that, if they exerted themselves properly, they might be more active still. (Hear, hear.) I am convinced that if you refuse to permit the retention of this large and unnecessary balance, the affairs of the Company will be much more diligently administered. Well, gentlemen, I think I have said enough on this subject; I will reserve anything I have to say upon other questions until we come to the extraordinary meeting. But I would impress upon you that this is not merely a question of a 14s. or 20s. dividend. It affects the whole policy of administration pursued by the board, and I declare that, in my opinion—and I have taken immense pains to investigate and go into the affairs of the Company—it will have a most healthy effect upon the administration of our affairs if you decide to-day upon a dividend of 20s. instead of 14s. as recommended by the board. (Cheers.)

MR. EMMANUEL: Mr. Chairman, brother shareholders, ladies and gentlemen, I rise to make a few observations to you upon the report which has been presented to the shareholders, and in doing so I have to express the great regret I feel at that report which is presented for your consideration, not only on account of the statements which appear in that report, but on account of the statements which do not appear, but which should have appeared. It will also be my duty formally to second the resolution which has been so ably proposed by Mr. McLean, and I shall endeavour to occupy your time as briefly as possible in bringing forward a few cogent arguments, to show you that the resolution Mr. McLean has proposed is one which should merit your cordial approval, and, on the contrary, that the recommendation contained in the report is one which you should unhesitatingly decline to endorse. I cannot say that I acquiesce with that submission and humility which Mr. McLean displayed in the ruling of the chairman respecting the very important motions of which Mr. McLean had given notice. I am disgusted at the decision of the board in the matter. But I am like a man imprisoned; I must submit, much as I long to rebel. It seems to me that if the directors found that the resolution of which notice was given, respecting the appointment of a committee of investigation, conflicted with some of the bye-laws, it was their duty to propose an alteration of the bye-laws, so as to enable the shareholders to discuss this grave question. It seems a contemptible proceeding to me to shirk behind the technicalities of the bye-laws in this fashion in order to avoid a fair and open investigation of the condition of affairs. (Hear, hear.) If I were a trustee for a number of widows and orphans I would not stand upon any legal technicalities, I would say, "Investigate

my accounts, and satisfy yourselves as to the accuracy of my statements." The chairman may be right, or he may be wrong; I am bound to submit to his ruling, but I submit with indignation. I ask you, gentlemen, to consider for one moment this great and magnificent Company of which you are shareholders. Here you have a company which has been trading for the last 200 years and more, under a charter conferring vast privileges and monopolies. Consider that we have been working for 220 years, and have established, therefore, what ought to be a most valuable goodwill. You have £1,300,000 capital to work with. You have 7½ million acres of territory—10,000 square miles of land—exceeding in area that of many civilised countries. You have extensive forests, vast mineral resources; and with all these advantages, consider what the directors propose to you. They propose to give you a dividend of 14s. a share, which, on the present market value of the shares, means 3¼ per cent. for our money. Last year no dividend at all was declared, so that, taking the two years together, you have the astonishing fact that, with all our advantages, the dividend only amounts to 1¾ per cent. This is the magnificent result which our directors are enabled to achieve for us, in spite of all our capital, our privileges, our prestige, and all our other advantages. Why, it would be better to tear up the charter and put the money in Consols. (Laughter and cheers.) Mr. McLean has referred to what he called the first epoch of this Company, when we had the privilege of having Mr. Goschen as our chairman. For the last fifteen years—since Mr. Goschen retired—the dividends paid have been rarely more than 3¼ per cent. The prices of our shares have depreciated from £40 to £20. Now what is the cause of all this? I look to the reports which are presented to the Company, and see year by year the same stereotyped excuse, "The directors regret that owing to the fall in the price of furs, profits, &c.," and so on. (Laughter and cheers.) Before opening the report now I always prepare myself for this, and I have, indeed, come now to expect nothing else. There have been innumerable proposals made for increasing the revenue of the Company in various ways. In reference to the land, for instance, various proposals have been made, and details have from time to time been given of the methods by which more successful land companies manage to attract immigration to their properties. We have seen how the market value of other lands has greatly risen year by year, while that of our lands has as surely diminished. We have learned how tenants have been secured for less favourable lands by more energetic companies—by preparing the lands for them, by advertising, and, in short, by making the lands known and attractive to emigrants. In regard to our lands, the directors take no such steps. Is it likely that we can get tenants when they must wait a twelvemonth before they can hope to see any result for their pains? But that is merely one of the many things which, in my opinion, conspire to produce the results which we all regret. Now, I have shares in other companies, amongst others, in various South African diamond companies. A few years ago diamonds were about half their present value, but the directors, by limiting the output, soon had the satisfaction of witnessing a rise of nearly double in the price of diamonds as the result of their policy. It has been suggested that similar steps might be taken with advantage by our directors in the way of limiting the output of our furs, and so preventing the market from being swamped, as it is at present, this, of course, being the cause of the low prices which obtain. Recommendations have been made again and again to the directors to this effect, but, so far as I am aware, no notice whatever has been taken of

them. I myself am a lawyer, and though I am unable to suggest, as a business man, like Mr. McLean can, what has been the particular cause of our misfortunes, I at the same time naturally inquire why it is, and whether the state of things may not be remedied; and there are a number of other gentlemen versed in mercantile affairs who have also suggested various remedies to the board. But the directors seem to scout every suggestion as worthless which emanates from outside shareholders. Whether their *amour propre* is offended or not, I cannot say. To me it seems a disastrous policy. If a gardener whom I employed came to me year after year and told me that my orchids had perished from frosts, I should say to him, "Well, if you cannot keep my orchids from dying, that being the purpose for which I employed you, you had better let me get some other gardener who knows his business better, and is able to do so." (Cries of "Time, time.") I say there are no men of sufficient capacity on the board to conduct the affairs of a Company such as this. (Renewed cries of "Time," and "Sit down.") I will endeavour to be as short as I possibly can. At the last meeting I referred, under this head, to Sir Charles Russell, who, though an eminent lawyer, is, in my opinion, totally unfitted to decide the questions which naturally arise in the administration of the affairs of a Company of this character. I say also that he cannot give that attention and time to the business which should have been devoted to it, though doubtless he draws his director's fees. In the time of Mr. Goschen, as Mr. McLean said, it was considered sound policy to divide the profits of the Company right up, retaining only £2,000. Why cannot the same policy be pursued now by the present directors? I earnestly trust you will give your support to this resolution, and for once in a way take the management of your own affairs into your own hands. But, of course, as Mr. McLean very truly said, with a reserve of £40,000 the most inefficient board can get along very comfortably, whether the affairs of the Company go well or ill. Again, I would remind you that in considering this question it matters little to the directors, who are mostly men of affluence, whether the dividends declared be either 14s. or 20s. They doubtless prefer to have a big balance behind them, rather than declare a larger dividend, but to those less favourably situated—widows, orphans, and the like—who are dependent upon the earnings and profits of the Company, the difference between the two figures must have a very different effect, and these should not be forgotten by us in deciding this question. I beg to second the resolution of Mr. McLean.

MR. HENRY CLARK: I crave permission to say a few words upon this important question. I have for some time taken considerable interest in the affairs of this Company, and when Mr. McLean came amongst us I hailed him as a champion of the shareholders with considerable pleasure, because he proved himself both able and energetic in advocating what he believed to be, and what I believed to be, improvement in many cases in the administration of our affairs. We have for some years past been trying to obtain various reforms. For instance, in regard to the accounts, we have asked for some modification of them, so that we might have before us certain details, and that we might have other portions of the accounts in a clearer form. The directors have complied with our wishes in this respect; they have modified the accounts. Another improvement we have had in view was the infusion of fresh blood into the directorate. We thought, as I consider properly, that some additional energy might be with advantage introduced into the management of the Company. The directors have met us also in that respect. Now, gentlemen, I am sorry to say I find myself, upon this occasion,

diametrically opposed to Mr. McLean, with whom I have been associated. I repeat the question put by a gentleman just now in the middle of the room, and ask who are the members of this committee of the self-styled "Hudson's Bay Shareholders' Association?" My own impression is that Mr. McLean is the president, Mr. McLean is the treasurer, the secretary, and the committee all in one. (Laughter.)

MR. MCLEAN: May I interpose for one moment to say that the committee consists of all the shareholders in the Association holding a hundred shares and upwards. Mr. Clark was invited to attend and join this committee, and, indeed, he did attend.

MR. CLARK: Only once.

MR. MCLEAN: I beg your pardon; you attended another meeting.

MR. CLARK: Possibly I did, now I come to think of it. Well, Mr. McLean reminds me that I attended a meeting of the Shareholders' Association of this Company. That is true. I did so, and I remember being impressed by one observation which fell from Mr. McLean. I recollect that he then repudiated all intention of becoming a director. I said to myself that this, at any rate, was some guarantee of his disinterestedness, and I threw my lot in with him. But now, gentlemen, to-day we have to face an entirely different state of things. Mr. McLean has, by what I conceive to be an error of judgment, brought us to a crisis, and we have to decide whether we will support Mr. McLean or the Directors. Well, I say, I cannot regard him as a man of judgment in this matter. As a business man, he must know that the surest way to damage a company with the outside world is to bring forward a proposal to appoint a committee of investigation. That is a certain way of attracting adverse attention; and, moreover, this committee of investigation has not been called for in the slightest degree by the general body of shareholders. (Hear, hear.) There are no shareholders, except Mr. McLean and his immediate colleagues, who have, so far as I am aware, made the slightest suggestion for the appointment of such a committee. To do so, implies at once that they suspect the board of malpractices.

A SHAREHOLDER: Not necessarily malpractices, but errors of judgment. (Hear, hear.)

MR. CLARK: I have no doubt myself, from the chairman's statement, that the board will be quite willing to meet us in other things as they have done in regard to those suggestions which have been made in the past. Our interests and those of the board are common. Further, we do not represent ourselves only, but a very large body of shareholders in other parts of the country, who are unable to attend this meeting. They look to us to protect their interests as well as our own. Let us see to it that we do so; let us not allow ourselves to be made parties to any Stock Exchange jobbery. I must emphatically repudiate any connection whatever with Mr. McLean or his colleagues in this particular motion. I most heartily support the board. (Cheers.)

MR. FRANCIS PEEK: I do not know that I should have spoken to-day had not reference been made several times to the period when Mr. Goschen was our president, when, it seems, everything went right. (Laughter.) I was a member of the board during the whole time of Mr. Goschen's connection with us, and I know something about the affairs of the Company during that time, and I would point out one thing which Mr. Goschen never would allow during his connection with us. He never would permit us to divide more profits than had actually been earned during the year. (Hear, hear.) And another thing upon which he was inexorable was his refusal to reduce to too small dimensions the balance of cash in hand

necessary to conduct the business of the Company. Now the board is carrying on exactly the same principle. The board, I say, is carrying on the business of the Company in exactly the same way. I see, indeed, that they are dividing a little more than they have actually made. It is proposed that they should reduce the cash balances in a way which, as I have said, Mr. Goschen would never permit. And I would just point out why it is so dangerous to do so. You see that nominally you have cash in hand amounting to £206,000, £70,000 of which it is, I think, proposed to divide amongst you in the form of dividend, but you will find of that cash £111,000 consists of deposits from officers and others in your employ. Now I tell you that if you once shake the confidence of those officers who have entrusted their money to you, by distributing too large an amount of this balance by way of dividend, their support would be withdrawn, and you would have only £30,000 remaining with which to carry on your enormous trading concern, and that would be obviously insufficient. It is a very serious matter to disturb faith in a Company like this. Far more than most people imagine depends upon public confidence. You are being served now by a large number of trained servants scattered all over the North-West Territories. They are persons naturally relying very much, in fact, almost solely, upon those with whom they are personally acquainted. They are personally acquainted, for instance, with your present chairman, of whom they all entertain the highest possible opinion. (Hear, hear.) But it seems to me, if this and the other motions which have been proposed be carried, it would be impossible for the present directors to remain on the board. (Hear, hear.)

MR. H. GORDON : I must say, sir, that this report does not seem to me very satisfactory. We are told that furs realised better prices, but that there has been a smaller quantity of them. Remembering that last year no dividend at all was declared, it seems that we are realising a little over 2½ per cent. for the two years. In previous years we have heard a good deal about the giving fuller details in the accounts, and we have frequently been met by the cry that to do so is impossible without revealing valuable trade secrets. I would ask what are these trade secrets? Are they worth anything if they do not enable the directors to realise any dividends? They certainly do not appear to be of much use judging from the results. The chief thing, it seems to me, we have to congratulate ourselves upon is that the working expenses have been slightly cut down. In these days of competition it is of the utmost possible importance that the cost of working should be cut down, and I hope that this matter will receive the most careful attention. (Hear, hear.) I am glad, as I say, to see that something has already been done in this way. With reference to the last speaker, I may say that there has been, as I take it, no suggestion made of dividing more money than has been earned, because you must remember that we are dealing now with the earnings not only of this year but with those of last year—(hear, hear)—and it is the earnings of the two years together which Mr. McLean proposes to distribute. I certainly hope that shareholders as a body will support Mr. McLean's amendment. Personally I cannot see how the situation could be made any worse, but it is quite obvious that it might be made a good deal better. (Hear, hear.)

ADMIRAL FIELD, M.P. : I will not trespass at any length upon the attention of the shareholders, but I desire to support the board in their policy, and let me say at the outset, that I am not a member of the Shareholders' Association. (Laughter.) I distinctly refused to join it. I recognise the zeal of its members, and the ability of its chairman, and I was glad

to send a donation towards the expenses connected with the body. But I prefer to maintain my position as an independent shareholder. What I want to say is, that if Mr. McLean's amendment be carried and Mr. McLean's policy, which he has brought forward in direct opposition to that of the board, be adopted, it will amount to a vote of no confidence in the board. (Hear, hear.) I would remind Mr. McLean that possibly he has been instrumental in bringing about a change in the constitution of the board, and in other respects. I give him credit for his zeal and for his efforts in this direction. I think the change was a wise one, but I think that as a body of sensible men, who have supported Mr. McLean in his efforts in the past, we should, as lovers of fair play, having gained our points in these respects, now give the board our support. (Hear, hear.) I speak perfectly impartially, because I do not even know the members of the board personally, except in one instance. But I see that the board has been making efforts in the directions for which there has been agitation in the past. They have reduced their fees by £1,100, and cut down the expenses of the land department by £2,000. Now the board, doubtless having fully considered all the circumstances of the case, advises a dividend of 14s. per share. Mr. McLean proposes a dividend of 20s. Mr. McLean is undoubtedly a clever and an energetic man, but he has not a monopoly of wisdom, and, moreover, he does not possess in the slightest degree that kind of knowledge which the members of the board possess, and which is essential in order to arrive at a sound conclusion upon the question before us. We have no right to give our support to Mr. McLean, in opposition to the board, when the board tells us it is not prepared to adopt Mr. McLean's policy. Again, as to the proposal to appoint a committee of investigation, why, any board of honourable men must feel that if this motion were carried they must resign; and I think you will all agree that in that event your affairs would get into inextricable confusion. Well, to those who say they need not resign, all I say is that I would, jolly soon. (Laughter and cheers.) As to Mr. McLean, I cannot say that I have a very profound respect for everything he says. Amongst other things, he proposes to treat the marine insurance fund as a general reserve fund. He says that this has been done in the past. All I have to say is, that if it was done in the past, I condemn it. As a sailor, I say that it would be a piece of madness and of gross carelessness if this were to be done. If you say that is nonsense, I say you know nothing about it, and that you know nothing whatever about seafaring questions. (Hear, hear.)

MR. McLEAN: May I point out to Admiral Field that the whole of the ships and steamers are down on the balance sheet at £8,000. (Laughter and cheers.)

ADMIRAL FIELD: But there are their cargoes as well. (Hear, hear.) In fact, in my opinion, the fund ought to be increased, and you ought to have better ships too. The vessels we have at present are, in my judgment, not the right sort at all. But that I just say as a sailor. To come back to the main question. I appeal again to Mr. McLean, as a lover of fair play, and as a man of common sense, to give the board a chance, and trust to them to do the best they can for the Company. (Hear, hear.)

MR. LOMAS: Ladies and gentlemen, I would remind you that the resolution now before the meeting is in effect that you should receive that to which you are entitled as business men, which has been earned by your capital. (Hear, hear.) I presume that we are most of us business men here. Let us prove ourselves to be such by demanding that which is our due. There is clearly enough and more than enough to pay a 20s. dividend

instead of 14s., and my earnest advice to you is that you support Mr. McLean in his praiseworthy endeavours. I think, indeed, we all owe a great debt of gratitude to Mr. McLean for the energy and ability which he has displayed on our behalf in this matter. When should we have seen those reforms of which we have heard so much if it had not been for the exertions of Mr. McLean and those associated with him? (Hear, hear.) One gentleman said just now, in reference to the figures brought forward by Mr. McLean, that we are not now dealing with the past, but with the present. That is just what I think of it. To my mind, it is just a question of 20s. or 14s. (Laughter and Hear, near.) It seems to me that the least you can do, if you do not subscribe to the funds of the Shareholders' Association, is to support Mr. McLean in his motion now before the meeting. (Hear, hear.) The directors say that if you take this 20s. instead of 14s., you will shock the very foundations of the Company—(laughter)—or something to that effect. But I say you will strengthen the foundation of the Company, as you would soon find if you attempted to realise your shares in the open market. (Hear, hear.)

MR. NUGENT: Before the question goes to the vote I would ask your permission, sir, to point out that two or three years ago, when some £30,000 was held over in a similar way, the same arguments were brought forward in opposition to those who declared that it was unwise to do so. We were told that it would swell our dividends, but that it would have a disastrous effect upon the prospects and resources of the Company. In fact, all the same arguments which have been used to-day to convince us of the evil effects of the policy we then advocated were then brought forward. But the result showed that what was advocated might have been done with profit and advantage to the shareholders without the slightest harm to the Company. (Hear, hear.) Before this matter comes to a vote I would ask you earnestly to accept Mr. McLean's amendment, and vote yourselves 20s. instead of 14s., which the board proposes.

MR. LAWES: As has been very justly pointed out, this property is ours, the earnings are ours, and the dividends are just what we choose to make them, and it is merely a question for us to decide how much we will divide. (Hear, hear.) But the board, as is usual upon such occasions, of course offers us strenuous opposition, and errs on the side of caution. This is a question which I have discussed upon more than one occasion at the Bank of England, where precisely the same arguments are used, and I may say, in other respects the same secrecy is adopted. I sincerely hope that the shareholders will on this occasion, by their votes, carry Mr. McLean's proposal into effect.

MR. JAKINS: It certainly seems at first sight that the directors, being behind the scenes, as it were, ought to know more about the doings of the Company, the prospects for the future, and the requirements of the coming season, than an ordinary outside shareholder, however energetic or painstaking he may be. But I do really think that the time has come when we ought to make a stand and support Mr. McLean in the views he has so clearly and convincingly laid before us. As has been said, we have reached a crisis, and with all respect to the board of directors, who have, to my mind, mismanaged the Company for years past, we cannot get very much worse. (Hear, hear.) Our shares have gone down from £38 to £20. They can scarcely go any lower. We have, it is true, a magnificent territory and immense capital, and yet they say if we trench upon that to the extent of £20,000 it will be impossible to carry on the business of the Company. This is, of course, absurd. What is £20,000 to a Company which turns over something like a million a year? Re-

membering, also, that we still have a virtual monopoly in many parts of that country, I say there is not such an opportunity in any country in the world. We have immense territory, and good servants doubtless, but, unfortunately, a board of directors who have not shown themselves capable of making the fullest use of these advantages. If we carry this resolution for a dividend of 20s. a share, we shall still, as has been proved, have ample for the purpose of carrying on the business, and we shall have obtained an advantage by showing the directors that we do take an active, lively, intelligent interest in our own concerns. For it must not be forgotten that there are many Companies kept going in London solely for the sake of the directors. I do not say that this is one, but we all know there are many such Companies, and I say we ought to clear this Company from any suspicion of such a character. I will say no more at present, but I have much pleasure in supporting Mr. McLean.

MR. MCLEAN: May I just say one word? We have other very important business to get through, and I think gentlemen would consult their own interest if they came to a division on this matter.

MR. HARRIS supported the directors.

The CHAIRMAN: Ladies and gentlemen—and I regret very much that I was wanting in courtesy on the first occasion in omitting to address the ladies, I really did not notice that they were present—you have heard what Mr. McLean has to say in support of his motion for a dividend of 20s. a share. He has gone back almost to the golden age—to the time when Mr. Goschen and the late lamented Sir Stafford Northcote, afterwards Lord Iddesleigh, were at the head of the affairs of this Company. He has told you that in those times it was thought wise to divide the profits right up to the hilt, giving the benefit to the shareholders, and leaving only a paltry £2,000 with which to carry on the business of the Company. Mr. McLean forgets to tell you at the same time that upon one of those occasions—in 1885—there was £50,947 remaining over. (Hear, hear.) I thought I had to some extent prepared the meeting for what Mr. McLean had to say with regard to his 20s. dividend. If you remember, I said that circumstances had greatly altered the case compared with what it was several years ago, for in those days you could calculate exactly all the expenses and requirements at the beginning of the year, which to-day it is impossible to do. That was before the country was opened up, when we were masters of the situation, when we were practically alone in the country; for, as I said just now, although our monopoly had legally ceased in 1869, in reality we still held that territory, just as formerly, for a considerable period. But a vast change has since taken place. You have now the whole of that North-Western country opened up. It is, of course, quite open to everybody who chooses to go in. You have on all sides competition. Only a few days ago I heard myself of a new opposition which has been started in that country, which may, if not met at once energetically and firmly, act in a very serious manner upon our prospects, and therefore reduce our means to give you dividends in the future. We have been told that there are widows and orphans who suffer because we do not give them a larger dividend. This no doubt is true, and I am afraid it is so in most Companies. But it is our desire, so far as we can ensure it, that these widows and orphans, and all other shareholders in the Company, shall have a dividend every year. Will it not be far better to give 14s. per share now, and make sure that we shall be in a position to successfully carry on during the coming twelve months, than to run the risk of being inadequately provided for conducting the affairs of the Company, and so possibly fail in being able

to declare any dividend on the next occasion? (Hear, hear.) As men having a knowledge of the whole of the circumstances, and knowing what we have to deal with, and feeling acutely what a very heavy responsibility rests upon those who have to conduct the affairs of a Company which has been in existence, as has already been said, for two hundred and twenty years, we have, after anxious consideration, come to the conclusion that 14s. per share is the utmost possible dividend which can be declared consistently with the best interests and prosperity of the Company. I ask you, would it be to the credit of your directors if there should be a collapse in such a Company as this? No, gentlemen; we have endeavoured to do what we believed to be our duty as between the shareholders and ourselves. I can honestly say that we have arrived at this decision only after a most careful consideration of your interests—immediate and remote. I have in my hand a statement of Ways and Means for the current year. From this you will find that you have in hand—or rather, had in hand—on the first day of June, £196,786. You have also Furs on deposit in the warehouses not yet drawn out, and on which, of course, interest will be paid for the time they are there; but this amount—£19,000—we consider as good as cash. Then there are investments available at any moment, amounting to £40,000; and there is also an item here—an asset of £14,000—known as Puget Sound shares, which the Company have held for many years, and on which it would perhaps be possible for such a Company as this to borrow money, though I daresay a good many of you gentlemen would not care to take them up without knowing something more about them. Thus we have altogether £269,786 which we may regard as assets up to the end of December. As Fur sales do not take place before the middle of January, there will be no other available resources than those already mentioned. That includes the balance of the land account and the marine insurance fund. Well now, your requirements for June were £38,500, which is out of your hands already—which, in fact, has been paid. The dividend we propose to you, gentlemen, is 14s., absorbing £70,000, and we think we have no right to propose a larger dividend; but, as your trustees, have concluded that, acting in your best and truest interests, that sum is all we can recommend. The matter rests of course with you ultimately. I fully admit that; but we cannot take the responsibility of suggesting a larger sum, knowing as we do the circumstances of the case and the requirements to be met. Well, this will take £70,000. For July you have requirements, bills payable, and so on, to the extent of £18,000. In August and September, bills payable and shipments—estimated, of course, as closely as possible—fall due to the amount of £34,000; and at the end of the three months of October, November, and December, another sum of £38,000 will be payable for drafts, shipments, &c., estimated at the same rate as last year. That brings us up to £195,500. Now, gentlemen, it may be said that there is the sum of £70,000 over. (Hear, hear.) I admit it. There is that over, and it may also be said, perhaps, that it offers a reserve sufficient for trade; but let me say that we have also on the other side of the account an item amounting to upwards of £75,000 belonging to our officers, sums on deposit. Where then is there anything remaining? No, gentlemen; that is an accurate statement which we give you, knowing it to be as correct as any estimate can be. With regard to the Officers' deposits, it may be said, "Oh, but there is no possibility of this being called upon;" but if we reason from the past we find that there have been drafts of no less than the following sums: £47,000 in one year, £50,000 in another, £45,000, £52,000, £47,000, £28,000, £30,000, and on one occasion, £82,920.

MR. MCLEAN : Are those sums over and above the sums deposited ?

The CHAIRMAN : They are the actual amounts drawn year by year. I am giving a true statement. Would it be a right thing for us to say that we could divide a twenty-shilling dividend, when we know that were all possible demands made upon us we should be left inadequately provided with funds for carrying on the business of the Company ? With regard to the remarks of Mr. Emmanuel, he implied that if Mr. Goschen were at the head of affairs now, we should have a very different result. Now, no one has a higher opinion of Mr. Goschen than I have, but I venture to say that did Mr. Goschen, or any other former Governor, stand here to-day in my stead I feel assured he would not suggest a larger dividend than that which we do recommend upon this occasion. In regard to the Marine Insurance Fund, about which something has been said, the amount covered by that fund from June 1, 1888, to May 1, 1889, was £168,718—a very considerable sum, while at the same time the fund took no more than £6,000 in any one risk, and that only as regards one-third of each risk. And now, gentlemen, I hope that I have met to your satisfaction the arguments brought forward by Mr. McLean. I can assure you—and I think most of you believe it—that we are as anxious as we possibly can be to administer the affairs of your Company in such a way that, year by year, you may be satisfied with the results, by obtaining dividends, and when possible good dividends. (Hear, hear.) It has been said by one speaker that it would have been better had the Company been wound up long ago. I have been presumptuous enough to speak personally, and to tell you—not, however, in any boasting spirit—that I am by far the largest shareholder in this Company. I tell you also that not at anything like the present price of the shares would I part with my interest in the Company. (Hear, hear.) In that vast territory which we possess, we have a property of which we may well be proud. As you know, we are entitled to one-twentieth of all the lands which may be surveyed for settlement within fifty years from June, 1870, in the district stretching from the Lake of the Woods westward to the Rocky Mountains—a distance of at least one thousand miles—and northward from the International Boundary in latitude 49 to the North Saskatchewan River—fully 300 miles—this territory being known as the "Fertile Belt." Reference has been made in the course of the discussion to the doings of other Land Companies, but let me tell you that though it has been said these Companies do this, that, and the other thing, there are no Land Companies which are paying any dividends at present. But your property is one which in course of time must inevitably become very valuable through the opening up of the country by the construction of railways and the growth of population. I have now to put the amendment proposed by Mr. McLean, and seconded by Mr. Emmanuel, viz. : "That a dividend of 20s. per share be now declared."

The question was put to the vote, and on a show of hands the chairman declared the amendment to have been lost.

MR. MCLEAN : Will you kindly tell us the numbers by which you consider the amendment to have been lost ? I beg to demand a poll.

The CHAIRMAN : A poll having been demanded, of course will be taken. I now put the original motion : "That the report and accounts be adopted."

This was carried on a show of hands.

The CHAIRMAN : Mr. McLean having formally demanded a poll in writing, it will accordingly be held at once, and the ballot-boxes which are placed at the door will remain open till six o'clock, or one hour after the close of the business of the extraordinary general court, whichever may occur first. The chairman also requested all shareholders to be good enough to remain for the extraordinary general court.

EXTRAORDINARY GENERAL COURT.

AT the conclusion of the business of the general court, the extraordinary general court, called pursuant to a requisition, was held.

The SECRETARY having read the notice convening it, and the resolutions which it had been called to consider and decide upon,

The GOVERNOR called upon Mr. McLean to move the resolution of which he had given notice.

MR. McLEAN: I have pleasure, sir, in moving the first of the resolutions to consider which this meeting has been summoned. I beg to move: "That the present shares be re-arranged on the basis of dividing the members' interest in such of the Company's lands in the Dominion of Canada as are not required for the Company's trading purposes from all the Company's other interests—the latter to continue to be represented by the present shares, and the former by a separate denomination of shares or by land warrants." As most of you know, the property of this Company is divisible into two classes—trade and land. The land extends from the Atlantic to the Pacific, and from the United States frontier, in the south, to the Saskatchewan River in the north. The land is probably nearly 2,000,000 acres in extent; and when the Hudson's Bay Company gave up its territorial rights in the land, it did so under a convention with the Queen, by which it was decided that—as the Chairman stated—the Company should be entitled to one-twentieth of all the lands which may be surveyed for settlement within fifty years from June, 1870, in the district stretching from the Lake of the Woods westward to the Rocky Mountains—a distance of at least one thousand miles—and northward from the International Boundary in latitude 49 to the North Saskatchewan River—fully 300 miles—this territory being known as the "Fertile Belt." And the Company's land is not in large blocks, but in detached sections of 640 and 480 acres each in every township, at a distance of three miles approximately from each other throughout the whole extent of the above vast area. Every share which you hold—there being 100,000 shares—represents from seventy to seventy-five acres of land, there being from 7 to 7½ million acres in all. The other property you have is the trading property. It may not be known to some of you how this trading is carried on. Scattered all over the northern portion of British America there are the so-called posts or trading stations of this Company. These number altogether perhaps 120 or more. In addition to them we have an immense store in Winnipeg, something like the Civil Service Stores over here, at which everything may be purchased, from an anchor to a needle, as well as similar but smaller stores in Victoria, British Columbia, and other places. In addition there are grist mills and other properties of which you never hear anything, the whole business being lumped all together. The object of this resolution is to sever two things which have nothing whatever in common, but which have been joined together without possessing any natural affinity. We have reason to believe, from experience in other companies, that very great advantage to this Company—both to the trading branch and to the land branch—would result from such a change. Now I hope there will be no misunderstanding. We do not suggest that we should have a separate board for the land, nor a separate company for the land, or that the land shares should have any particular denomination, but merely that each of you gentlemen should have land shares—separate documents—which would find their value in the current Stock Exchanges of Europe. Various objections have been brought forward against this proposal. I think it is always

wise to look at all objections which have been brought, or which can be stated against a proposal. I do not arrogate to myself any particular amount of wisdom, but I do claim that I am endeavouring to do the very best I can for the Hudson's Bay Company, and as it was insinuated that I had some other motive in view in doing what I have done, I am exceedingly sorry that that gentleman who launched that insinuation has gone away. The first objection then is a legal objection. This is brought forward and dwelt upon in the report. It is to the effect that this proposal cannot be carried out without an Act of Parliament, or a change in the charter, or some addition to the charter. I am not a lawyer, but I and my colleagues have consulted one of the most experienced firms of solicitors in London on these questions of Company law—Messrs. Ashurst, Morris & Co.—and they tell us that we need no Act of Parliament, no change in the charter, no addition to the charter. They point out also that the charter of this Company is two hundred and twenty years old, and that in the charter there is no mention made of shares at all. The old charter of the Company simply speaks of the stock of the Company, and the stock is not limited in amount. This company has therefore changed from stock to a definite number of shares of a definite amount, and further has taken the very important step of reducing the amount of its shares from £20 to £13, without any Act of Parliament, but simply under the powers conferred upon it by the original charter. (Hear, hear.) We are further advised that even if it were necessary to pass an Act of Parliament in order to effect the requisite changes in the charter, there would not be the slightest difficulty in doing so, nor any great expense, since no outside party has the remotest interest in opposing this purely private change in our constitution. So much for the legal point. I touch upon that matter with diffidence in the presence of our modern Demosthenes. (Laughter.) The second argument against that proposal is that it has already been brought forward and rejected. It is hardly needful to say that this is no argument whatever against it. There probably never has been—and never will be—any reform whatever achieved, whether in politics, science, or religion, which has not, at one or other of its stages, been derided and defeated. That is an incontestably established fact. The third argument is, that it will result in increasing our taxation. Now, how is taxation in Canada regulated? As you know, there is in the region in which our lands are situated no Imperial taxation upon the land. The Imperial taxation of Canada is levied upon and derived from Customs, excise, and similar sources of revenue. The only taxation to which our lands are subjected is municipal in its character. Municipal taxation, as you know, is levied by the civil and local authorities, after consideration and calculation as to the amount which will be needed during the coming period, for the purpose of carrying on the government of the district. These taxes, then, are levied upon the property in the municipality according to the estimated value of that property. But the estimated value is not that placed upon the land by its owners, but by assessors appointed to decide the question. If in the opinion of the owners of the land the valuation is excessive there is the right of appeal. Now, how would this system affect the lands of this Company? These lands lie in every township over the whole territory—one-twentieth only of the tract being in each case the property of the Company, the remaining nineteen-twentieths therefore belonging to others. Now, therefore, it stands to reason that increased taxation could not possibly be placed upon our lands in particular without the taxation of the neighbouring land being at the same time, and in the same degree, increased. That is to say, it would be

impossible for our lands to be assessed more heavily than the surrounding land belonging to other owners, but differing from ours in no other respect. Again, we are told that there would be conflicting interests created if we carried out this plan I propose of dividing the shares into two classes. I would, however, point out that any conflict of interests which might be revealed under the new arrangement must exist at present. Now, in common with other landowners, our policy in regard to the land is to people Canada as rapidly as possible, to develop the country, attract emigrants, encourage railways, manufactures, trade, and so on, with a view to the disposal of these lands on advantageous terms. Now, I ask the chairman whether he would have us reverse this policy. And it is impossible to forget that our Governor, Sir Donald Smith, has perhaps done more than any other man in Canada—to his credit be it said—in this same development and, as it were, civilisation of the Dominion. (Hear, hear.) As the projector of that gigantic scheme now successfully accomplished, the Canadian Pacific Railway, he has exerted a most powerful influence in advancing commerce and civilisation throughout the country, and I think you will all agree that to do so is a wise and praiseworthy policy. (Hear, hear.) But now let us turn to the trading, to the fur interest. In this connection there certainly seems to be a conflict with the views I have just been urging. It is said that if we go on developing the country we shall drive away and so exterminate the fur-bearing animals. But this argument is founded upon a misapprehension. It seems to be the idea of those who reason thus, that Members of Parliament for Manitoba always go about their business armed with guns, and in expectation, when walking along the streets, say, of Winnipeg, of coming upon a bear or an Arctic fox. (Laughter.) But, as a little thought reminds one, this is not so by any means. The fact is, the civilised portions of Canada are already pretty well divested of fur-bearing animals. Railways and other means of development, in short, cannot but be in the long run to our immense advantage. If they do, as it is feared, diminish somewhat the wild animals in certain districts, why, we must take our chances and make up for it in other and more profitable ways. But, as a matter of fact, there is a practically illimitable tract in the far north, where, for years to come, these animals can live and thrive. Indeed, the assertion that the number has been decreasing of late years, as judged from the number of furs which we have dealt with, is quite erroneous. In the year 1877, for instance, the number of furs received was greater than it had been for many previous years—much greater also than the numbers were in 1866 and 1861. So much, then, for the conflicting interests. As to the advantages which would be derived from the change proposed, there can be no doubt. Some men have great faith in the land department and none in the trading; and some, on the contrary, believe in the land, but have less confidence in the trading business. But, at present, under the existing arrangement, you must have great faith in both. You cannot sever the two interests. Outside men have often told me that they would be glad to take up shares in the Company if they could take them up in respect of one only of the two branches of our business. That is to say, they believe perhaps, as I just said, in the business, but do not wish to invest in land shares. But, of course, as things are at present, they must trust in both, if they wish to invest in one, and this, I believe, deters many from taking up shares in this Company. If my motion were carried, you would have either land shares or trading shares, or both, just as you pleased. If you wished to part with your land shares you could sell them, and would obtain for them the current market price in the European exchanges. And the same, of course, applies to the trading shares, which, in this case, would not be depressed by the influence

of the land business. (Hear, hear.) We have been told by an article which appeared in the *Standard*, which I read with considerable interest, that our lands now have no real value, and that the value of our property is in the trading. If this be so, I ask where then have all the returns of capital which we have received come from? (Hear, hear.) We have had several such returns, you must remember. During the years 1882-3—the year of the boom—we had £400,000. (Hear, hear.) The article in the *Standard*, however, contends that the land now is capable of yielding nothing but the furs of the wild animals which it supports. (Laughter.) It is, I think, hardly worth while wasting your time with arguments to disprove such an outrageous assertion as that. (Hear, hear.) I am only surprised and sorry that gentlemen conducting such a paper as the *Standard*—which I very much admire for its fairness as a rule—setting themselves up as leaders of public opinion, can venture to write on a subject upon which they display so little knowledge. Now as to precedents; it is, as Sir Charles Russell will tell you, a very important matter, in making any changes, to have good and satisfactory precedents for doing so. (Hear, hear.) Now we have most excellent and favourable precedents for making such a change as I propose. The first is a general one. I refer to the railway companies, which, as you know, are constantly splitting up their shares into two kinds—preferred and deferred. Now, if there is any reason for doing this about a stock which is absolutely homogeneous, how much more so is there reason for doing it with stock like ours, relating to two totally distinct—and even opposed—interests, such as our land and fur trade. (Hear, hear.) The second precedent is a particular one, and is directly applicable to our case. It is that of the Metropolitan Railway of this very city. When that railway was being constructed it acquired, or, rather, got saddled with, a very large quantity of land all round London. The railway was carried out, and the land was retained. The shareholders soon discovered, however, that it was very greatly to their detriment, and to the disadvantage of the company, to have these two concerns joined together, and a movement was set on foot to have the two things separated. The scheme was opposed, of course, by the board, just as this proposal of mine is opposed. Ultimately, however, in 1887 the change was effected. What was the result? Before the separation of the shares they were quoted at 109½—that is to say, at the time the movement began. Immediately they were split up the two combined were worth 147, and if you will look in the *Times* of to-day, you will find that they now stand at 159 (hear, hear)—a rise of nearly 50 per cent. I have yet a third precedent—this time not in London, but in Canada, and in regard to exactly the same description of land as that you now possess. I refer to the Canada North-West Land Company. That company bought a large amount of land from the Canadian Pacific Railway Company. As you probably know, the Canadian Pacific Railway Company had an immense grant of land from the Canadian Government for the construction of its line. Of this land grant then, it sold between 2,000,000 and 3,000,000 acres to the Canada North-West Land Company. That company is, therefore, the owner of over 2,000,000 acres of land in Canada.

A SHAREHOLDER : Wrong; they would not take up all the land.

MR. MCLEAN : The exact acreage is 2,368,000. (Laughter, and cheers.) Well the Canada North-West Land Company's shares to-day are selling at £4½ per share. That multiplied by the total number of the shares of the Company shows that its lands are worth over £1,000,000 sterling, as estimated by the share quotations. (Hear, hear.) Now if 2,000,000 acres in the North-West—in the same region, that is, as ours—are worth

£1,000,000, how much are 7,500,000 acres worth? Why, from £3,000,000 to £3,500,000, and this would bring our land shares out at from £30 to £35 each. (Cheers.) The question, of course, arises whether our lands are better or worse than those of the Canada North-West Company. The latter Company's lands having been, as I said, taken from the Canadian Pacific Railway Company, are probably more valuable as a whole than ours. But you must recollect that our lands are taken from the same belt; and we also have large quantities of town lands, which the Canada North-West Land Company does not possess. We have lands, I say, in the same region, right down to the United States. But suppose our lands are worth only half the value of the Canada North-West Land Company's lands, why then our land shares should be worth £17 10s. each; say the value is one-third that of the value of the Canada North-West Land Company's lands—a much more reasonable and likely estimate—and the price of our land shares works out at £22 each. (Hear, hear.) Now, what are the advantages to be derived from this change? The first is that each class of shares will find its own level, which neither does at present. To-day we shall get a dividend of 14s. or 20s., as the case may be. That will doubtless have a pleasing effect upon the minds of the shareholders; but I trust they will not forget that out of the land they have had nothing at all since 1885. But get the shareholders directly interested in the land, and you will find that they will display a considerably keener interest in the doings of the land department. They will exercise a closer and more rigorous supervision over that branch of the business; and those who manage the land department will feel compelled in self defence to bestir themselves, and to adopt a more vigorous and successful policy. (Cheers.) And the same applies to the trading. Every one directly and immediately interested in that would also take a beneficial interest in that branch of the business, and would see that everything possible was done to secure the best results. As regards the land, for instance, no one will deny that much might be done in the way of attracting emigrants and settlers. I find from the emigration returns that a very small proportion indeed of the immigrants find their way on to the lands of the Hudson's Bay Company. During last year the Company sold 26,000 acres of farm lands. The Canada North-West Land Company, during the same period, with only 2,000,000 acres compared with our 7,500,000 acres, sold 52,000 acres. Last year we sold 26,000 acres with legal expenses of £1,426. The Canada North-West Land Company sold, as I say, double the amount of land at a cost of only £226 in the shape of law costs. I say under the new arrangement, interest would be awakened in our land, and in the proceedings of our land department, which does not exist at present, and I am sure this interest would have a most advantageous effect. Look at the report for a minute, and glance at page 7, setting forth the town lands which the Company has sold. Three lines from the bottom you will see it stated that at Newdale we sold ninety-two town lots—equal, as the report says, to about one-sixth of an acre each—for 135 dols., or 6s. a lot. (Laughter and cheers.) And yet we are told that the land policy of the board has been not to force the sales at all. Here is Newdale gone at 6s. a lot. (Laughter.) I happen to know Newdale. I have been there, and I can tell you that it is a rising and prosperous little place. Again I ask you how long do you think you would stand such administration as this if you were more directly interested in the land department. Another advantage which would follow from the adoption of my suggestion is that we should have the value of our shares stated. I do not know any Company which ought to

be steadier than the Hudson's Bay Company, so far as its land shares are concerned. In regard to the shares in reference to the trading business there would, of course, be fluctuations, according to the results and prospects of the trade. If business is steady and progressive—why, there ought to be a correspondingly steady and progressive increase in the value of its shares. But with us, it seems to me that the reverse operation takes place. Compare this Company with the Canada North-West Land Company. About eighteen months ago the shares of that Company were down at $2\frac{1}{2}$; they have risen and risen till to-day they are $4\frac{1}{2}$ —getting on for nearly double the value they fetched two years ago. (Hear, hear.) What were ours, and what are they to-day? Are they worth anything more? We have the Canada North-West Land Company's shares rising in value in this way because there has been a gradual improvement in that part of the country in which their lands are situated. Railways have been constructed, and great changes have taken place. Consequently, the price of the shares of the Canada North-West Land Company has risen in proportion. And why does not the price of our land shares rise also? Simply because they are tied down by the trading shares. Another important point to be noticed is that the mere prospect or rumour of this change which I propose to be adopted has sent up our shares to £22; and that, too, without there being anything known as to the chances of a dividend. (Hear, hear.) So that, according to the arguments of some gentlemen, because the public thought you were going to adopt this "unwise proposal"—to introduce these "conflicting interests"—they immediately decided that they would give more for your shares. (Laughter.) No, gentlemen; it was because they saw, as they saw also in the case of the Metropolitan Railway, that you contemplated doing, or might possibly do, a wise thing, and take a step which would greatly increase the value of our shares. So if, at the mere prospect of this thing being done, this change being carried out, your shares immediately went up, I put it to you, How much more would they rise when the change was actually effected? As soon as it was discovered that the suggestion was opposed, of course things went back again and fell to the old level at once; and there, I tell you, they will remain to the end of the chapter, unless you take heart and courage, put your shoulder to the wheel, and decide for yourselves, if the directors will not do it for you, that this will be a wise and beneficial step to take, remembering as you do the astonishing effect a similar reform has had in connection with the Metropolitan Railway. (Cheers.) Something has been said, and very properly, about the widows and orphans who are dependent upon the profits of this Company. In this connection I would like to point out a special hardship which falls upon those who must, at any price, sell their shares. If any one of you should die this year—which God forbid! though statistics prove that some of us will never appear at these meetings again—your shares would come into the hands of your trustees or executors, and, in many cases, these would have no option whatever but to sell the shares; they would have no power to retain them. They must place them on the market, and take the current price offered for them, depressed on account of the reasons which I have just been dwelling upon. I plead with you on behalf, not only of yourselves and the Company generally, but on behalf also of those absent ones who cannot plead here for themselves. I ask you to do justice to them, to your own families, to yourselves, and to the board, by carrying this most beneficial change into effect. (Loud cheers.)

MR. EMMANUEL: I rise to second the proposal made by Mr. McLean. I should like to say that though I have seconded his previous resolutions

am in no way connected with him personally, nor am I connected with the Shareholders' Association. But Mr. McLean's views have been brought before me, as they have been brought before you, with so much clearness that I think any one who arrives at an impartial decision upon the question can only come to the conclusion that the resolutions proposed are worthy of acceptance. Now it is a curious thing that I have come to the determination to support the motion proposed by Mr. McLean—that is to say, arrived at precisely the same decision on the question as Mr. McLean, though by a totally different line of argument. I may tell you, by the way, that, though Mr. McLean has not mentioned the fact himself, he is a shareholder in this Company to the extent of 1,000 shares, and, apart altogether from the other recommendations we possess as to his sincerity in the movement he has taken up, this in itself is a guarantee to his *bona fides* in the matter. Now, some few years ago the Paraguay Government had occasion to issue a number of land warrants in connection with a certain debt. These warrants applied to land which was at the time little more than a series of swamps. Nevertheless, in the course of years they have gradually risen in value, and are now standing at £5 or £6 in the market.

A SHAREHOLDER : £4 10s.

MR. EMMANUEL : Oh ! they are £4 10s. now ; well, they have been up to £5 and £6, and that independently of the stock which the Paraguay Government gave for the old debt. Now, if this can be done in regard to the swamps of Paraguay, I ask, Why can't it be done in regard to these splendid territories of which we are the owners ? (Hear, hear.) I say that if this division which is being proposed of the land and the trading branches were carried out, an immense stimulus would be given to the management and development of the former branch. Besides, it would be far more convenient in every respect to have separate shares relating to the separate departments. Just let me give you a simple illustration. Suppose a man dies, leaving £100,000 in money and £100,000 in landed property ; say he has ten children, and the property is to be divided equally among them. Now, some may want to sell their interest in the business, and take the land ; while others may want to take the profits arising from the working of the business—that is to say, the money or capital left—and be independent of the real estate. Under our system, to do this would be impossible, and all the ten heirs would be compelled to take their share of both land and capital. But under the arrangement which we propose, each could select the one or the other, just as he pleased. The only possible objection which is of any weight that I have heard is that one which the directors have brought forward in the report, to the effect that they had been advised that the proposals could not legally be carried into effect. This statement is just typical of the information given by our directors. They do not say by whom they are advised, nor upon what grounds the decision is based ; and I am afraid to ask the names of their authorities in this matter, simply because I fear that I shall be repulsed in the same way that I was just now, when I inquired the numbers of the voting on the show of hands. I beg to second Mr. McLean's resolution. (Hear, hear.)

THE CHAIRMAN : I have listened with considerable attention to the various remarks made by Mr. McLean in bringing forward and supporting this motion. But I must say that, attentively as I listened to his arguments, I quite failed to bear one real and sufficient reason why we should consent to this change, or one illustration of the good it would do to the Company. I cannot see how, by splitting up the shares into two classes, you can gain any material advantage. This has already been pointed out by the directors

in that portion of the report which deals with this question, so that my remarks on this present occasion are thereby simplified very considerably. One of the arguments brought forward by Mr. McLean was that it would be just the same to separate our land from our Fur and general Trading business as it is for the railway companies which have divided their shares into preferred and deferred. I contend that the two things are entirely different. (Hear, hear.) Another important point which Mr. McLean overlooked is that it has been found necessary on various occasions to "nurse" the land sales for a while, in order to do certain things which were a benefit to the Company, and for which you made allowance afterwards. In the case of the grist mills, for instance, to which Mr. McLean referred, the board would never for one instant have thought of taking them up except in order to advance that which Mr. McLean blames them for not doing—namely, make the land and adjoining property more attractive to settlers and possible buyers. And you have had the benefit of this policy. Because, it was partly through this that we have been enabled to return to you from 1882 to 1885 £400,000 of capital. (Cheers.) Mr. McLean went at length into the position of the Canada North-West Land Company, and told you, or rather left it to be inferred, that our Company ought at least to have done as well as that Company has done. It happens that the Canada North-West Land Company has most of its land in the region known as the railway belt, the land within 24 miles on either side of the railway. All their land is there, with the exception of a portion in what is known as Southern Manitoba, where, however, none of it is, I believe, more than 30 miles from a railway. Further, they have in that railway belt alternate sections with the Canadian Pacific Railway Company—they are entitled to these alternate sections by their agreement with that Company—so that in that belt they have seven or eight times as much as you have. And the proportion is even greater, on account of the fact that you sold out a considerable portion of your land in that belt during the time of the "boom" in 1882-1885, and the proceeds had been returned to you. These lands were taken up with great avidity by buyers. The Canada North-West Land Company commenced their sales at a later period, and having a larger quantity of land in the railway belt, consequently made larger sales last year than we did. You still own a very large quantity of land, but much of it is situated 100 to 150 miles north of the nearest railway, and south for about the same distance, so that at the present moment it is practically unsaleable; that is to say, you would not get a price for it which would be worth taking. You are told you have land in and near Winnipeg; but, as a matter of fact, you have only comparatively few lots in Winnipeg, and only a small quantity of farm lands at all near to it. So that, I may say, in respect of the positions of the lands of the Canada North-West Land Company and that of the Hudson's Bay Company, there is a vast difference as to the possibility of immediate sales. You have, nevertheless, already received £400,000. How much has the Canada North-West Land Company returned during all the years that it has been in existence? (Cheers.) I know something about that Company. It is true, there has been an increase, a gradual increase, and latterly a considerable increase, in the value of their shares, of which I am very glad; but that simply arises I think, from the fact that the Company has been coming nearer and nearer to yielding a dividend. Then you have been told that by splitting the shares up you will get shareholders to take special interest in the shares they hold, and, amongst other things, to exert themselves in the direction of getting emigration into the country. Happily, that is already done for the Hudson's Bay Company, and for the other Land Companies, too, by the

railway companies, who of course, as you know, are most anxious to get people into the country, not so much for the purpose of selling their lands, as for getting a larger traffic from the opening up of the country and the increase of population. The Canada North-West Land Company has done nothing—nothing worth mentioning—in this way. They did, indeed, send out a few Crofters on one occasion, to whom they advanced a little money, but that is all. I am most anxious that the Canada North-West Land Company should have success, and be able to declare a dividend soon, but we certainly stand in as good a position as they do at present. Now it has been said that there is no Imperial taxation upon our lands. True, the Imperial Government has nothing to do with it. The Dominion, or Federal Government, is virtually supreme. But under the Dominion Government there are, as you know, in the various parts of the country, the local Governments. In our part there are local Governments for Manitoba, and now for the North-West Territories. At the present time it is correct that municipal or local taxation is the only taxation we have to submit to; but I may remind you that a short time back an attempt was made in the local Legislature to tax you for your lands throughout Manitoba. That attempt, however, was defeated—at any rate, for a time. I only hope that no such attempt may be made by the local Government of the North-West Territories. Yet we cannot say what may or may not take place, and this possibility of taxing our lands doubtless offers a tempting bait to local Governments. I think myself that by dividing up the shares in the way proposed, instead of getting rid of the fluctuation in the value of them, you would be increasing it, and increasing it very largely. Mr. McLean says he has no intention of putting any value on these shares.

MR. MCLEAN: Face value.

The CHAIRMAN: How, then, is it to be determined?

MR. MCLEAN: By the market price; by the current rate of buying and selling.

The CHAIRMAN: Well, anyhow, it appears to me an extraordinary proposal, and one which I do not believe would be listened to for a moment by the Board of Trade, or by a committee of the House of Lords if applied for. For, as we have said, we are informed that it would be impossible to carry out Mr. McLean's views without appearing before them.

MR. MCLEAN: Will you excuse me for one moment? I said that it would not be necessary to put a face value on the shares, as the real value would be determined by the market price given for the shares, but there is no objection to putting a face value on them whatever. (Hear, hear.) It is really immaterial.

The CHAIRMAN: Upon this legal aspect of the question I will ask Dr. Freshfield to read you the opinion of counsel on the subject which has been obtained.

DR. FRESHFIELD: The counsel to whom the question was submitted were Sir Richard Webster, the Attorney-General, and Mr. Arbuthnot. Their opinion is as follows:—"I am of opinion that the proposition to divide the shareholders' interest in the Company cannot be carried into effect without an Act of Parliament, or an alteration of, or supplement to, the Company's charter. It appears to me to be an alteration of the whole constitution of the Company, not only causing difficulties as regards the question of voting under the charter, but practically dividing the Company into two, with different and possibly conflicting interests. This was never contemplated either by the original or the supplementary charter, and the alteration is in my opinion *ultra vires*; compare *Smith v. Goldsworthy*, 4, 2,

B. 430, where the change in the constitution of the Company which was held to be *ultra vires* was far less radical than that now proposed.

" *Temple, June 14th, 1889.*

" (Signed) R. G. ARBUTHNOT.

" I entirely concur with the above opinion.

" (Signed) RICHARD E. WEBSTER.

" *2, Pump Court, Temple, June 17th, 1889.*"

MR. MCLEAN : I should just like to remark—what everybody knows—that it is usually possible to obtain the opinion of counsel either one way or another, according as the case is stated. (Hear, hear.)

DR. FRESHFIELD : That is a most unfounded and unfair expression of opinion. I have here the statement of the case, which will show you whether I have stated the case fairly or unfairly.

MR. MCLEAN : I had not the least intention, in making that remark, to give offence personally to Dr. Freshfield, and if his feelings are in any way wounded by what I have said, I beg to withdraw it most unreservedly. I was merely giving utterance to a common remark respecting the opinion of counsel, obtained in this way.

THE CHAIRMAN : Dr. Freshfield will, if the meeting desires it, read out the statement of the case which was submitted to Sir Richard Webster.

A SHAREHOLDER : That really is not necessary, sir. (Hear, hear.)

THE CHAIRMAN : Well then, to proceed, it would, of course, be quite impossible for us in the face of that legal opinion to think of recommending you to support this resolution. We think it could not fail to cause inextricable confusion in the affairs of the Company, by creating diametrically conflicting interests. (Hear, hear.) I speak with knowledge on this subject. I firmly believe it would inflict great and lasting injury upon you and your property in Canada. In regard to the land, I may remind you that the quantity possessed is really indefinite; it depends, as you know, upon the amount surveyed by the Government, and that cannot be known beforehand. We hope for the best, and try to do the best we can for you, but we really fail to see how matters can be improved by making two shares out of one, in the way proposed. But we do see that it might cause immense confusion, and do very great harm. We ask you unhesitatingly to reject this resolution. (Cheers.)

MR. MCLEAN : I claim the right of reply, sir, as the mover of this resolution. I shall, however, be brief. First, then, as I said just now, we do not consider it necessary to put any face value upon the land shares. The Stock Exchange would do that. But, then, supposing it were necessary for us to put a face value on it—why, here is a document with which I expect you are familiar, Sir Donald. It is an exact valuation, acre for acre, of the lands of the Canada North-West Land Company. And, I suppose, if the Canada North-West Land Company can have such a valuation as this of their lands prepared, why, so could we of ours. (Hear, hear.)

THE CHAIRMAN : As a matter of fact, the two cases would be very different; as I have already explained—the North-West Land Company's land being all near the railway, and already surveyed, while a great portion of ours is far removed from railway communication, and much of it unsurveyed by the Government.

MR. MCLEAN : It is true the board is opposed to me in this matter, and true also that the board is a great authority upon Canadian affairs. But I say this question is not one to understand which it is needful that you should be conversant with Canadian affairs. It is merely a financial question as to what would be the effect of such a change as this I propose upon the value of your shares in the London market. In regard to the legal opinion which has been quoted—and I would again assure Dr. Fresh-

field that nothing was further from my thoughts just now than that of saying anything disrespectful—we should remember that we have also a very eminent counsel on our board—(hear, hear)—and further, that Sir Charles Russell does not always agree with the opinions of Sir Richard Webster. (Laughter and Cheers.) Indeed, I suppose there are few men who of recent times have been more successfully opposed or who have been more frequently proved in the wrong than Sir Richard Webster has been by Sir Charles Russell. (Hear, hear.) So I think in considering this question we need give little attention to the verdict which has been given by Sir Richard Webster. Once more I ask you most earnestly to give your vote for this resolution. (Hear, hear.)

The CHAIRMAN: I should inform the shareholders that the board are unanimous upon this question.

The CHAIRMAN then put the resolution to the vote, and, on a show of hands, declared that it was carried, there being, as the Chairman remarked, only a few shareholders remaining. A poll was thereupon demanded.

MR. MCLEAN: I now have to move the second resolution of which I have given notice, which is as follows:—"That the rights now enjoyed by shareholders of limited liability companies of inspecting the register of members, and obtaining copies or extracts therefrom, be given to the members of the Hudson's Bay Company." You are all aware, gentlemen, that this Company is incorporated under a charter of 1670. Under that charter you have no right to know who your partners are; you have no right to learn anything whatever about any of the other shareholders—even who they are. Now this state of things was the case with most public companies in England till 1862, when the question was taken up and considered by Parliament. Long discussions took place upon the proposal then made to permit shareholders to learn who were their fellow-shareholders, and what was their share in the Company. After prolonged debates the Companies Act of 1862 was passed, giving to shareholders in public companies the right to see who were their partners, and, in short, to find out all about them. Not only was this right granted to the shareholders, but also to the general public, so that any of you gentlemen can go to any bank, company, or other institution under the Limited Liability Companies laws and inspect their register, whereby you can learn the names and addresses of the shareholders and the extent of their holding. Almost the only company in which you cannot do this is the Hudson's Bay Company. And yet the board opposes this proposal to do away with this obsolete regulation. Why? Our board, we all know, possesses great wisdom. It seems, however, that their wisdom is not only great, but greater than that of our legislators, who have decided this question in the way I have stated. Parliament says it is wise and politic that the register of shareholders in a public company should be open to all who may wish to inspect it. The board of the Hudson's Bay Company, however, says it is not wise or politic, and therefore shall not be done. Very many amendments have, indeed, been brought forward from time to time in the House of Commons for the alteration, in various ways, of the Companies Acts, but none has ever been proposed limiting in the slightest degree this right we are considering. It is said, indeed, that our Board will give a list of shareholders to anyone who asks it. I myself give the Company credit for giving me a list when I asked for it. But that was only a favour. I do not want it as a favour. I want it as a right. (Hear, hear.) But though the Board will give you a list of shareholders as a favour, it will never tell you the holding of any one in the Company. Now there are great disadvantages in this policy of secrecy.

First of all, the directors' own holdings are not known. Then a man, perhaps, comes before you as a candidate—as of course he has a perfect right to come—but you cannot see the share register, and you do not know what that man's holding is, or, indeed, whether he is a shareholder of five minutes or of five years. And you have at present no right to get this information. It was by the merest accident that last year I discovered that a candidate who had only just acquired his shares had been brought forward by the directors in opposition to myself. I say, without the slightest ill-feeling in the matter, that it is unfair that a candidate should be brought forward in that way. (Loud cheers.) We ought all to vote for this resolution, if only in order to prevent the possibility of such occurrences as that in the future. (Hear, hear.) Again, you would be able to see whether a man had decreased his holding. That might be a straw showing which way the wind blew. Any shareholder in this Company may be selling out, and you not have the means of knowing it. And, on the contrary, others may be buying our stock, which it would be satisfactory to know. By the present arrangement the directors, of course, are placed at a great advantage as compared with the shareholders generally. If any resolutions such as those I have proposed are coming on, and there is likely to be voting upon them, the outside shareholder does not know even who the largest shareholders are; whereas the board, having sole possession of the register, uses the information contained therein for its own ends. They know, of course, just who are the largest and the most influential shareholders, and they write to them, interview them, get others to see them and impress upon them their views upon the question at issue, and so on, and thus secure their votes. (Hear, hear.) I say, all such information as this ought to be free and common to all. (Hear, hear.) I ask you, therefore, to decide, once and for all, by your votes, that this Company shall stand alone in this matter no longer, but that, in common with all other Companies, it shall be placed upon that footing which Parliament in its wisdom has decided to be right and proper, so that every man shall be able to ascertain the names and holdings of his partners in the Company. (Hear, hear.)

MR. KETTLEWELL seconded the motion.

MR. EMMANUEL (who spoke amid demonstrations of impatience): Sir, in support of the observations of Mr. McLean, I just wish to say that in June of this year I wrote to the secretary of the Company for permission to inspect the list of shareholders for the purpose of ascertaining whether or not it was a fact, as I was informed, that Viscount Anson, our Deputy-Governor, only held sixty shares in the Company, whilst he drew £500 a year. The secretary, however, wrote and declined to give me any information on the subject.

The CHAIRMAN: Upon this question I may say that the board do not wish it to be considered for one moment that they recognise any conflict of interests whatever as between themselves and you. Our interests are absolutely identical, and it is our most earnest wish, moreover, to do everything that we have reason to believe is really required by the shareholders as a body, in so far as it may be consistent with the interests of the Company. Having said this, I will say, in regard to this particular motion, that we do not feel very strongly about it either one way or the other. We are, however, quite willing to give printed lists of the shareholders—only, of course, without the amount of their holdings. (Cries of "Oh!") At present that is not allowed by our bye-laws, and an alteration would therefore be required in them in order to carry out in full this resolution. We must therefore decline to accept this motion as it stands at present. But, as I say, we shall be quite prepared to give printed lists of shareholders

at least once a year, and we will also take the whole question into consideration, and see in what way it can be carried out to the satisfaction of the shareholders. (Hear, hear.)

MR. J. EDWARDS : I earnestly hope, sir, you will not send round these lists. That is a most objectionable plan. Some years ago it was tried by the Grand Trunk Railway Company, but was found to be so very objectionable in many respects that it was abolished. Let us have the register of shareholders open to inspection if you like, but don't send round lists.

MR. MCLEAN : I should just like to say, sir, that the board's proposal does not meet the terms of my motion in any way. Apart from the fact that they decline to reveal the holdings of the shareholders, I should just like to point out that we do not want to know merely once a year who are our shareholders, but at any time—at any day in the year. (Cheers.)

The resolution was then put to the vote, and was declared to be carried on a show of hands, a poll, however, being demanded.

MR. MCLEAN : In view of the lateness of the hour, and of the length to which these proceedings have already extended, I shall not proceed with the third resolution respecting the qualifications for nomination as a member of the board, as, although the resolution is of great importance, there is no immediate necessity for passing it. The fourth resolution is, however, essential, and I therefore now move—"That the board be requested to take the necessary steps to carry the foregoing resolutions into effect."

MR. NORBURY seconded the resolution, which on a show of hands was declared to be carried, a poll, however, being demanded, as in the other cases.

The proceedings then terminated with a hearty vote of thanks to the Chairman, moved by Mr. McLean, and seconded by Mr. Edwards.

ADJOURNED GENERAL COURT.

THE adjourned General Court, called for the declaration of the results of the polls upon the motions submitted and divided upon at the General and Extraordinary Courts, was held on the day following, at the Cannon Street Hotel, at two o'clock, Sir Donald Smith, Governor, in the chair.

The attendance was small.

THE CHAIRMAN : This meeting is called for the purpose of declaring the results of the polls upon the questions submitted at the meeting yesterday, there being three altogether. First, I have to declare the result of the poll on the amendment moved by Mr. McLean—"That a dividend at the rate of 20s. per share be now declared, instead of at the rate of 14s. per share, as proposed." I have to declare the amendment lost, the figures being :—Shares : For, 23,163 ; against, 31,819—majority against, 8,656. Votes : For, 4,632 ; against, 6,363—majority against, 1,731. The amendment being therefore defeated, I now beg to move the adoption of the report.

MR. MCLEAN : In agreeing to this motion, sir, I think it should be distinctly understood that by not opposing the adoption of the report we do not thereby accept all its statements. There was much indeed that I might have said upon the statements in the report, and upon the report generally, though, as I say, we allowed it to be adopted subject to the amendment.

THE CHAIRMAN : Exactly. Well, now, as a formal matter, I move the adoption of the report. There being no opposition, that is carried. I therefore declare the report adopted, and beg to announce that the dividend will be paid within a couple of days.

We are now resolved into the extraordinary general court, and I have to declare the result of the voting on the motions brought forward yesterday. The first resolution—"That the present shares be re-arranged on the basis of dividing the members' interest in such of the Company's lands in the Dominion of Canada as are not required for the Company's trading purposes from all the Company's other interests; the latter to continue to be represented by the present shares, and the former by a separate denomination of shares, or by land warrants"—I declare to be lost. The number of votes was as follows:—Shares: For, 22,785; against, 30,016—majority against, 7,231. Votes: For, 4,557; against, 6,003—majority against, 1,446. The second resolution—"That the rights now enjoyed by shareholders of limited liability companies of inspecting the register of members, and obtaining copies or extracts therefrom, be given to the members of the Hudson's Bay Company"—I also declare to be lost, the figures being as follows:—Shares: For, 23,110; against, 29,394—majority against, 6,284. Votes: For, 4,622; against, 5,878—majority against, 1,256. The third resolution, respecting the qualifications of directors, was, as you know, withdrawn; and the fourth, directing the board to carry out the preceding motions, naturally lapses with the defeat of those motions. That, therefore, concludes the business of this meeting.

MR. MCLEAN: I desire, sir, to make a statement upon the subject of the voting, for the information of the shareholders, and I trust that you will stay and hear me.

The CHAIRMAN: Certainly.

MR. MCLEAN: Of the three resolutions put to the meeting, that in favour of the 20s. dividend instead of 14s. was lost by a majority of 882 shares—leaving the directors out of the account—in a vote of 53,012 shares. Apart from the votes of the directors, the question of splitting the shares of the Company into two was carried by a majority of proxies and persons present of 543 shares in a vote of over 51,000 shares. The question of opening the register of shareholders for inspection was carried—putting aside the votes of the board—by a majority of 1,490 shares in a vote of over 50,000. So far as the persons at the meeting voted, there was a considerable majority—indeed, they were almost unanimous—in favour of splitting up the shares, and opening the register of shareholders, but there was a majority of eight persons against the 20s. dividend. With regard to the persons who have voted—personally or by proxy—out of 1,197 votes, 808 have been in favour of the resolutions which I had the honour of submitting, and 389 persons were against. So that is the majority in my favour so far as the individual shareholders are concerned—apart from their particular holdings. The board's votes, I may say, amount to 4,782 shares. Some proxies also were disqualified because the proxies for the two meetings—the General and the Extraordinary—were contained on one form, and with only one penny stamp.

MR. EDWARDS: I claim permission also to say a few words. I must press the question I asked yesterday, respecting the members of the committee and shareholders. I have not the slightest objection to Mr. McLean constituting himself the committee; but I certainly should like to know the names of the gentlemen who form the body of that committee.

The CHAIRMAN: Yesterday would, I think, have been a more proper time for the discussion of this question, which, indeed, was put. But he meeting was doubtless anxious to get on with the work in hand and to get it over. It was, undoubtedly, a very proper and pertinent question to put then; but I think, if you will permit me to say so that

we need not now go into it. I now desire only to heartily thank the shareholders for their continued support of the board, and for the confidence they have placed in us; and I will merely add that, as in the past so in the future, it will be our best endeavour, so long as we hold our seats on the board, to do everything that it is possible for us to do in the best interests of our shareholders, and I trust that the result will be as satisfactory to the shareholders in the future as we are assured that it has been to the large majority of them in the past. We are informed that the small amount derived from sales at Newdale arose from the fact that a number of the lots were made over to the Manitoba and North-Western Railway Company for a nominal consideration, to secure the location of the station near the Company's land. I cannot accept Mr. McLean's statement and figures with reference to the voting, and his attempt to separate the votes of the directors from those of the other shareholders. This reasoning might be made to apply with at least equal force to the votes of Mr. McLean himself, and those of his committee of the Hudson's Bay Shareholders' Association.

The proceedings then terminated.

3

4

5